

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF ELZIE)	CASE NO. 90-076-F
NEELEY GAS COMPANY, INC.)	

O R D E R

On December 7, 1990, the Commission issued its Order in Case No. 90-076 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates on a quarterly basis in accordance with the provisions of the gas cost adjustment ("GCA") clause set forth therein.

On June 18, 1992, Elzie Neeley Gas Company, Inc. ("Elzie Neeley") filed its quarterly GCA, which is to become effective August 1, 1992 and is to remain in effect until October 31, 1992.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Elzie Neeley's notice of June 18, 1992 set out certain revisions in rates which Elzie Neeley proposed to place into effect, said rates being designed to pass on to its customers the expected wholesale change in gas cost from its supplier. Elzie Neeley did not calculate its expected gas cost using its actual 12-month purchase volume; hence, its proposed rates should be denied.

2. Elzie Neeley's expected gas cost ("EGC") adjustment for the quarter beginning August 1, 1992 should be \$3.8358 per Mcf.

3. Elzie Neeley's notice included a current quarter actual adjustment in the amount of (6.38) cents per Mcf. This adjustment has been recalculated to reflect actual sales figures. Elzie Neeley's actual adjustment should be (5.24) cents per Mcf, with a total actual adjustment of 4.52 cents per Mcf.

4. Elzie Neeley's notice included a refund adjustment in the amount of 6.21 cents per Mcf, which is a corrected refund factor from a previous quarter. There were no current quarter refund adjustments.

5. The combined effect of the above adjustments is Elzie Neeley's corrected gas cost recovery rate ("GCR") in the amount of \$3.8189 per Mcf, an increase of 16.75 cents per Mcf from its last approved rates.

6. The rates set out in the Appendix to this Order, pursuant to the GCA provisions approved by the Commission in its Order in Case No. 90-076 dated December 7, 1990, are fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after August 1, 1992.

IT IS THEREFORE ORDERED that:

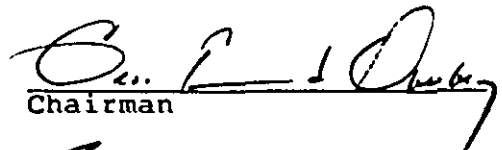
1. The rates proposed by Elzie Neeley be and they hereby are denied.

2. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with gas supplied on and after August 1, 1992.

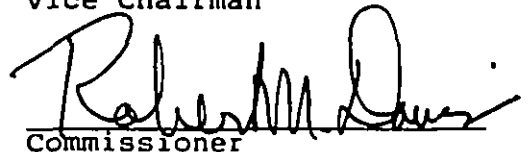
3. Within 30 days of the date of this Order, Elzie Neeley shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 31st day of July, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director, Acting

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 90-076-F DATED 7/31/92

The following rates and charges are prescribed for the customers served by Elzie Neeley Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

Monthly:

First 1 Mcf	\$7.3173 Per Mcf
Over 1 Mcf	6.2847 Per Mcf

Minimum Bill

The minimum bill shall be \$7.3173

The base rate for the future application of the purchased gas adjustment clause of Elzie Neeley Gas Company, Inc. shall be:

	<u>Commodity</u>
Columbia Gas of Kentucky, Inc.	\$3.7505 Per Mcf